

HOUSE BILL NO. 580

INTRODUCED BY R. KOOPMAN

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A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING AN INCENTIVES FOR SUCCESS ACCOUNT; PROVIDING FOR THE ALLOCATION OF THE INCENTIVES FOR SUCCESS ACCOUNT; PROVIDING AN APPROPRIATION; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

WHEREAS, the striving for excellence is enhanced by clear goals, consistent measurements, and financial incentives; and

WHEREAS, nowhere is this more true than in the field of public education; and

WHEREAS, school funding systems that fail to reward performance fall short of serving the parents, students, taxpayers, and educators of Montana; and

WHEREAS, formulas that increase funding to failing systems create unintended incentives to fail; and

WHEREAS, the State of Montana is committed to a success-oriented system of education that rewards school systems for efficiency, innovation, and measurable improvements in academic achievement.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. Section 1. Incentives for success account -- funding -- allocation. (1) There is an incentives for success account in the state special revenue fund. The superintendent of public instruction shall deposit in the account appropriations made for the purpose of school assessments and incentive payments.

(2) School assessments must be based entirely on total student academic achievement at the grade school, middle school, and high school levels, using the Iowa basic skills test. Except for the first year of testing, the test must be given in May or June of each year. Each enrolled student must be tested. The office of public instruction shall provide state funding, on a per-ANB basis, for the cost of the tests from the money in the account.

(3) (a) Eighty percent of the money in the account that remains after the payment under subsection (2) must be distributed to individual schools on the basis of school academic improvement. School academic improvement must be calculated based on the percentage of student improvement in average test scores. Funding for each school must be on a per-ANB basis, with three shares given to schools in the top 20% of improvement statewide, two shares to schools in the top 40%, and one share to schools in the top 60%. Schools

1 in the lower 40% may not receive funds from the account for that school year.

2 (b) The remaining funds in the account must be distributed on a per-ANB basis to the 20% of the schools
3 that have the highest comparative average assessment scores in the previous school year. The funds must be
4 distributed proportionately, by total student populations, to class AA, class A, class B, and class C schools, with
5 each school competing against other schools in the school's size class only. In addition, the office of public
6 instruction shall award the schools described in this subsection (3)(b) by recognizing them as "Montana High
7 Achiever Schools" with a news release and plaque.

8 (4) A school that receives funds under this section shall deposit the funds in the school's general fund
9 and may retain the funds and is not required to spend the funds in the school fiscal year in which the funds are
10 received.

11 (5) A school may choose not to participate in the incentives for success program and may choose to
12 reenter the program at a later time. However, if a school reenters the program, the school shall administer tests
13 for 2 consecutive years before it is eligible to receive funds under the incentives for success program.

14 (6) The office of public instruction shall recalculate eligibility for funding under this section on an annual
15 basis. The office of public instruction shall notify schools of the receipt of funding under this section by August
16 1 of each year.

17 (7) For the purpose of establishing baseline data, the initial test described in subsection (2) must be
18 given in September 2007.

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20 **NEW SECTION. Section 2. Appropriation.** There is appropriated for the 2009 biennium from the
21 general fund to the office of public instruction \$16 million for the costs of tests and for incentives for success
22 payments to school districts.

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24 **NEW SECTION. Section 3. Codification instruction.** [Section 1] is intended to be codified as an
25 integral part of Title 20, chapter 9, and the provisions of Title 20, chapter 9, apply to [section 1].

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27 **NEW SECTION. Section 4. Effective date.** [This act] is effective on passage and approval.

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